



# *Louisiana Housing Corporation*

*\*An audio recording of these proceedings is available upon request by contacting the LHC\**

## **LHC Board of Directors**

### **Administrative and Finance Committee Meeting Minutes**

**Wednesday, October 9, 2019**

**2415 Quail Drive  
Committee Room #2  
Baton Rouge, LA 70808  
9:30 A.M.**

#### **Committee Members Present**

Willie Rack (Committee Chairman)  
Renee' Free on behalf of Louisiana State Treasurer John M. Schroder  
Donald B. Vallee  
Gillis R. Windham (arrived at 9:55 A.M.)

#### **Committee Members Absent**

Byron L. Lee

#### **Board Members Present**

Board Member Derrick Edwards (arrived at 9:44 A.M.)  
Board Member Stacy S. Head (arrived at 9:34 A.M.)  
Board Chairman Lloyd "Buddy" Spillers

#### **Board Members Absent**

Tammy P. Earles  
Larry Ferdinand  
Board Vice-Chairwoman Jennifer Vidrine

#### **Staff Present**

Barry E. Brooks  
Edselle Keith Cunningham, Jr.  
Bradley Sweazy  
Jessica Guinn  
Leslie C. Strahan  
Terrell Dupard

Plezetta M. West  
Carlos Dickerson

**Others Present**

See Guest Sign-In Sheet

**CALL TO ORDER**

Administrative and Finance Committee Chairman Willie Rack called the meeting to order at 9:32 a.m. Board Secretary Barry E. Brooks called the roll; there was a quorum.

**APPROVAL OF MINUTES**

Next item discussed was the June 18, 2019 AFC Meeting Minutes.

**On a motion by Mr. Donald B. Vallee and seconded by Mr. Lloyd Spillers, the Minutes of the June 18, 2019 LHC Board of Directors Administrative and Finance Committee Meeting were unanimously approved.**

**AGENDA ITEM #3**

The next item discussed was the presentation (**available upon request**) by the Presentation by External Auditors Duplantier, Hrapmann, Hogan & Maher, LLP regarding **June 30, 2019 Audit Results from LHC General Fund, LHC Combined, Willowbrook Apartments, Village de Jardin Apartments, Mid-City Gardens Apartments, and Louisiana Housing Authority.**

LHC Executive Director E. Keith Cunningham, Jr. introduced that matter.

LHC Chief Financial Officer Carlos Dickerson provided additional informations.

Mr. Vallee noted he felt the information had been received too late that he did not feel he had been given enough time to review the matters.

There was next the PowerPoint presentation (**available upon request**) by the External Auditors (Michelle Cunningham, Terri Kitto, Heather Javanovich, and Patrick Butler).

Ms. Cunningham discussed Management's Responsibilities, Auditors Responsibilities, Summary of Audit Results, Planned Scope and Timing of the Audit, Significant Accounting Policies and Procedures, GASBs, Significant Accounting Estimate and Judgements, Required Supplementary Information, Significant Deficiency Findings, Compliance, etc.

CFO Dickerson noted that LHC was putting measures in place to correct any Deficiencies; he discussed proactive measures related to loan receivables schedules and reconciliations; and he noted that the new FHLB MRB Implementation cash account would be changed to a DBA account.

Mr. Vallee discussed investment policy needs; and he requested an overview of the LHC CHDO Program. Mr. Rack concurred in the need for a discussion on the CHDOs.

Ms. Kitto continued with the presentation. She discussed Combined Statement of Net Position, Unrestricted and Restricted Assets, Liabilities, Operating Revenues, Operating Expenses, Operating Income, Non-Operating Revenues, and Change in Net Position.

Mr. Butler discussed Combined Statement of Cash Flows, Cash Flows for Operating Activities, Cash Flow for Non-Capital Financing Activities, Cash Flow for Investing Activities, and Cash Flow from Capital Financing Activities.

Ms. Jovanovich discussed Single Audit Schedule of Expenditures of Federal Awards (Section 8, HOME, CDBG), Single Audit Programs Tested as Major Programs, and concluded noting there were NO Findings, NO Deficiencies, and NO Instances of Non-Compliance.

Mr. Butler discussed the Audit of the Rental Properties (Mid-City Gardens, Willowbrook, and Village de Jardin), Single Audit of Programs Tested as Major Programs, and conclude noting there were NO Findings, NO Deficiencies, and NO Material Law Violations.

Mr. Butler continued and discussed the Rental Properties Condensed Statements of Net Position, RPCSs of Cash Flows, and Rental Properties Distributions to LHC and Contributions from LHC.

Mr. Vallee inquired as to why LHC was making contributions to the Rental Properties.

CFO Dickerson replied that such was ORM Insurance Premiums.

There were discussions between Mr. Vallee and the External Auditors regarding Rental Properties Assets and Liabilities.

LHC Asset Manager Dione Milton discussed Rental Properties deposits.

Mr. Vallee suggested a tour of the New Orleans LHC properties.

Ms. Head inquired on what would be the effect if LHC sold its properties.

LHC Chief Operating Office Bradley Sweazy advised that evaluations of such had been previously done and provided to the Board, and concluded any sale funds would have to be returned back to HUD.

Ms. Cunningham thanked CFO Dickerson and his team for their partnership and collaborations; she noted that there had been many improvements over the past three (3) years; and that the Legislative Auditor dictates the timeframe for when audits are conducted.

ED Cunningham discussed aspects of LHC increasing opportunities and increasing the utilization of LHC services and activities.

On a motion by Mr. Vallee and seconded by Mr. Spillers, the AFC approving sending the External Auditors Duplantier, Hrapmann, Hogan & Maher, LLP regarding **June 30, 2019 Audit Results from LHC General Fund, LHC Combined, Willowbrook Apartments, Village de Jardin Apartments, Mid-City Gardens Apartments, and Louisiana Housing Authority to the Full Board with a FAVORABLE recommendation.**

#### **OTHER BUSINESS**

None.

#### **ADJOURNMENT**

There being no other matters to discuss, Mr. Spillers offered a motion for adjournment that was seconded by Ms. Free. There being no discussion or opposition, the motion passed unanimously.

**The Administrative and Finance Committee Meeting adjourned at 10:27 a.m.**



**Board Secretary, Barry E. Brooks**